

AMENDMENT IN THE NATURE OF A SUBSTITUTE
OFFERED BY MR. RANGEL

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Marriage Tax Penalty
3 Relief Reconciliation Act of 2000”.

4 SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STAND-
5 ARD DEDUCTION.

6 (a) IN GENERAL.—Paragraph (2) of section 63(c) of
7 the Internal Revenue Code of 1986 (relating to standard
8 deduction) is amended—

9 (1) by striking “\$5,000” in subparagraph (A)
10 and inserting “twice the dollar amount in effect
11 under subparagraph (C) for the taxable year”,

12 (2) by adding “or” at the end of subparagraph
13 (B),

14 (3) by striking “in the case of” and all that fol-
15 lows in subparagraph (C) and inserting “in any
16 other case.”, and

17 (4) by striking subparagraph (D).

18 (b) INCREASE ALLOWED AS DEDUCTION IN DETER-
19 MINING MINIMUM TAX.—Subparagraph (E) of section
20 56(b)(1) of such Code is amended by adding at the end

1 the following new sentence: “The preceding sentence shall
2 not apply to so much of the standard deduction under sub-
3 paragraph (A) of section 63(c)(2) as exceeds the amount
4 which be such deduction but for the amendment made by
5 section 2(a) of the Marriage Tax Penalty Relief Reconcili-
6 ation Act of 2000.

7 (c) TECHNICAL AMENDMENTS.—

8 (1) Subparagraph (B) of section 1(f)(6) of such
9 Code is amended by striking “(other than with” and
10 all that follows through “shall be applied” and in-
11 serting “(other than with respect to sections
12 63(c)(4) and 151(d)(4)(A)) shall be applied”.

13 (2) Paragraph (4) of section 63(c) of such Code
14 is amended by adding at the end the following flush
15 sentence:

16 “The preceding sentence shall not apply to the
17 amount referred to in paragraph (2)(A).”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2000.

21 **SEC. 3. MARRIAGE PENALTY RELIEF FOR EARNED INCOME**
22 **CREDIT.**

23 (a) IN GENERAL.—Subsection (a) of section 32 of the
24 Internal Revenue Code of 1986 (relating to credit for

1 earned income) is amended by adding at the end the fol-
2 lowing new paragraph:

3 “(3) REDUCTION OF MARRIAGE PENALTY.—

4 “(A) IN GENERAL.—In the case of a joint
5 return, the phaseout amount under this section
6 shall be such amount (determined without re-
7 gard to this paragraph) increased by \$2,500
8 (\$2,000 in the case of taxable years beginning
9 during 2001).

10 “(B) INFLATION ADJUSTMENT.—In the
11 case of any taxable year beginning in a calendar
12 year after 2002, the \$2,500 amount contained
13 in subparagraph (A) shall be increased by an
14 amount equal to the product of—

15 “(i) such dollar amount, and

16 “(ii) the cost-of-living adjustment de-
17 termined under section 1(f)(3) for the cal-
18 endar year in which the taxable year be-
19 gins, determined by substituting ‘calendar
20 year 2001’ for ‘calendar year 1992’ in sub-
21 paragraph (B) thereof.

22 If any increase determined under the preceding
23 sentence is not a multiple of \$50, such increase
24 shall be rounded to the next lowest multiple of
25 \$50.”

1 (b) REPEAL OF REDUCTION OF REFUNDABLE TAX
2 CREDITS.—

3 (1) Subsection (d) of section 24 of such Code
4 is amended by striking paragraph (2) and redesignig-
5 nating paragraph (3) as paragraph (2).

6 (2) Section 32 of such Code is amended by
7 striking subsection (h).

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2000.